



County of Los Angeles
CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

June 4, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF PUBLIC SOCIAL SERVICES: RECOMMENDATION TO
APPROVE APPROPRIATION ADJUSTMENT FOR FY 2007-08
(ALL DISTRICTS AFFECTED) - 4 VOTES)**

SUBJECT

Approve the attached Appropriation Adjustments (AA) for the Department of Public Social Services (DPSS) in the amount of \$9.8 million to ensure payment continuance to In-Home Supportive Services (IHSS) service providers and General Relief (GR) participants covered under the Department's Assistance Budget and service continuance to CalWORKs Welfare-to-Work (WtW) participants covered under the Department's Administrative Budget. This requested budget adjustment to increase spending authority will be financed with a combination of over-realized prior-year revenue, supplemental revenue, and appropriation adjustment. There will be no additional net County cost (NCC) impact.

IT IS RECOMMENDED THAT YOUR BOARD:

Approve the attached AA for DPSS Fiscal Year (FY) 2007-08 in the amount of \$9.8 million. Approval of these AAs will allow DPSS to continue to provide assistance payments to the County's IHSS and GR participants and provide supportive services to CalWORKs WtW participants.

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

This budget adjustment is needed to continue providing core services to our participants for the remainder of the Fiscal Year (FY).

The IHSS program provides supportive services to aged, blind, or disabled persons to maintain independent living and safely remain in their own homes. In the IHSS program, there has been an increase in the caseload and in the IHSS hours per paid case from 81.50 to 82.29 hours per paid case. The FY 2007-08 expenditures are projected to exceed the budgeted level by \$1.6 million; therefore, an increase in spending authority will be needed in order to continue service provider payments.

The GR program is a County-funded program that provides temporary cash aid to indigent adults and certain sponsored legal immigrant families who are ineligible for federal or State programs. There has been a significant increase in the GR caseload. The budgeted number of aided cases for FY 2007-08 is 722,093 (a monthly average of 60,174), a 2.7 percent increase from the FY 2006-07 actual caseload. With nine months of actual data, the Department has revised the caseload projection to 749,365 (a monthly average of 62,447), an increase of 6.6 percent from the FY 2006-07 actual caseload. The FY 2007-08 expenditures are projected to exceed the budgeted level by \$2.9 million.

The Other Charges appropriation in the Department's Administrative Budget Unit covers costs for CalWORKs Supportive Services that includes transportation, ancillary, and child care to eligible CalWORKs families. The AA in Other Charges is to meet the needs of our CalWORKs WtW participants. Several factors contributed to the increase of supportive services cost, including: 1) as part of the intensive efforts to increase the work participation rate, the Department actively reengaged the CalWORKs sanctioned participants into the GAIN program; 2) the increase in the average child care cost-per-case is due to an increase in the Regional Market Rate; 3) the increase in the average transportation cost is due to increases in MTA and Foothill Transit rates; and 4) the increased cost of ancillary items. The FY 2007-08 expenditures are projected to exceed the Other Charges budgeted level by \$5.3 million. An increase in spending authority will be needed.

Implementation of Strategic Plan Goals

The recommended action is consistent with the principles of the Countywide Strategic Plan: Goal #1 Service Excellence: Provide the public with easy access to quality information and services that are both beneficial and responsive, Goal #3 Organizational Effectiveness: Ensure that service delivery systems are efficient,

effective, and goal-oriented, and Goal #5: Improve the well-being of children and families in Los Angeles County.

FISCAL IMPACT/FINANCING

The requested AA to increase spending authority will be fully financed within the existing budgeted funds; therefore, there will be no increase in NCC.

The FY 2007-08 adjusted budget reflects an appropriation for IHSS of \$292,919,000. The current budget projection requires an appropriation of \$294,479,000 due primarily to higher expenditures resulting from higher than projected hours per paid case. Therefore, an appropriation increase of \$1,560,000 is needed to provide services to eligible IHSS recipients for the remainder of the FY. The \$1,560,000 increase will be offset by \$1,560,000 from over-realized prior-year revenue in the IHSS budget.

The FY 2007-08 adjusted budget for GR has an appropriation of \$156,595,000. Due to higher expenditures resulting from increasing caseloads, the current GR budget requires an appropriation of \$159,494,000. Therefore, an appropriation increase of \$2,899,000 is needed to provide cash benefits to eligible GR participants for the remainder of the FY. The \$2,899,000 increase will be offset by \$2,899,000 from over-realized prior-year revenue in the IHSS budget.

The FY 2007-08 adopted budget for Other Charges reflects an appropriation of \$178,238,000. The current budget requires an appropriation of \$183,538,000 due to increases in child care, transportation, and ancillary costs. Therefore, an appropriation increase of \$5.3 million is needed to provide services to eligible CalWORKs families for the remainder of the FY. This increase will be covered with \$2.4 million in new revenue received from the State as part of the approved child care reserve request; \$0.9 million in over-realized prior-year revenue; and \$2.0 million shift from Services and Supplies (S&S) savings to Other Charges.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The IHSS program is a mandated and regulated program that is operated at the County level in accordance with the California Welfare & Institutions Code Section 12300.

The GR program is mandated by the California Welfare & Institutions Code (WIC) Section 17000, and the Los Angeles County Code, Title 2—Administration, Chapter 2.102 DEPARTMENT OF PUBLIC SOCIAL SERVICES.

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Cal-WORKS Child Care program is a State mandated program, authorized by Assembly Bill (AB) 1542 (Chapter 270, Statutes of 1997) and operated in accordance with WIC §11323.2(1). Child care services for Cal Learn participants were authorized by Senate Bill (SB) 35 (Chapter 69, Statutes of 1993) and SB1078 (Chapter 1252, Statutes of 1993).

CalWORKs Transportation and Ancillary Services are State mandated programs, authorized under AB 1542 and operated in accordance with WIC §11323.2 and §11323.2(3), respectively.

IMPACT ON CURRENT SERVICES

Approval of the appropriation increase will be used to continue providing services to the County's IHSS program recipients, assistance payments to the County's GR program participants, and supportive services to CalWORKs WtW participants for the remainder of FY 2007-08.

CONCLUSION

The Executive Officer, Board of Supervisors, is requested to return one adopted, stamped Board letter to the Director of DPSS.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:SRN:MS
GP:JB:cv

Attachment (1)

c: County Counsel
Department of Public Social Services
Auditor-Controller

COUNTY OF LOS ANGELES
REQUEST FOR APPROPRIATION ADJUSTMENT DEPT'S. No. 140
DEPARTMENT OF PUBLIC SOCIAL SERVICES JUNE 4, 2008

AUDITOR-CONTROLLER. THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2007-08
4 VOTES

SOURCES:

SEE ATTACHED

SUMMARY TOTAL: \$9,759,000

USES:

SEE ATTACHED

SUMMARY TOTAL: \$9,759,000

JUSTIFICATION:

THIS BUDGET ADJUSTMENT IS NECESSARY TO REFLECT THE ADDITIONAL APPROPRIATION NEEDED IN THE DEPARTMENT OF PUBLIC SOCIAL SERVICES' ASSISTANCE BUDGET FOR THE IHSS PROGRAM AND FOR THE GRANT PAYMENTS UNDER THE GENERAL RELIEF (GR) PROGRAM. IN ADDITION AN APPROPRIATION INCREASE IN THE ADMINISTRATIVE BUDGET, OTHER CHARGES, TO COVER THE COSTS FOR CALWORKS SUPPORTIVE SERVICES

Jose R. Perez

JOSE R. PEREZ, CHIEF

CHIEF ADMINISTRATIVE OFFICER'S REPORT

REFERRED TO THE CHIEF ADMINISTRATIVE OFFICER FOR—	ACTION	APPROVED AS REQUESTED	AS REVISED
	✓ RECOMMENDATION	<i>May 22 20 08</i>	<i>Jose R. Perez</i>
AUDITOR-CONTROLLER BY <i>Conzgn</i>		APPROVED (AS REVISED): BOARD OF SUPERVISORS	20
No. 250	<i>May 22 20 08</i>	BY	DEPUTY COUNTY CLERK